

## MEMORANDUM OF UNDERSTANDING

**THIS MEMORANDUM OF UNDERSTANDING**, made this \_\_\_\_\_day of \_\_\_\_\_ 2006, by and between the **VINT HILL ECONOMIC DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia (hereinafter the "VHEDA") and the **BOARD OF SUPERVISORS OF FAUQUIER COUNTY**, a body politic (hereinafter the "Board").

### I. RECITALS.

A. WHEREAS, the VHEDA is interested in acquiring services for the provision of its human resources and financial operations; and

B. WHEREAS, the County is willing to provide human resources and financial services to the VHEDA upon the terms and conditions contained herein; and

C. WHEREAS, the VHEDA has adopted, for purposes of ease in handling payroll, procedures identical in many respects to the County's established procedures for financial and human resources functions; and

D. WHEREAS, Virginia Code Section §15.1-1329 permits the VHEDA to enter into contracts and other instruments necessary or convenient to the exercise of its powers and also permits the VHEDA to do any and all acts and things which may be reasonably necessary and convenient to carry out its purposes and powers; and

E. WHEREAS, Virginia Code §15.1-21 permits political subdivisions to jointly exercise their powers; now, therefore,

**WITNESSETH:**

### II. CONSIDERATION.

That in consideration of the mutual covenants and promises contained herein, the VHEDA and Board agree as follows:

### III. TERMS.

- a. **Length of Agreement.** The agreement shall be for a term from the date of its execution from **July 1, 2006** through **June 30, 2009**. The agreement shall be for the length of three years, unless either party receives notice of termination at least three months prior to **June 2009**. Any renewal after **June 30, 2009**, shall be at the mutual consent of both parties.

- b. **Payment for Services Rendered Under the Agreement.** The VHEDA shall transfer funds from its bank accounts to a bank account of the County at least one day prior to each payday. The amount to be transferred will be sufficient to cover an estimate of one payroll and fringe benefits actual costs in trust with the County to be used by the County to pay actual payroll and fringe benefit costs associated with the County's provision of services to VHEDA. If payroll and fringe benefits costs exceed the amount the VHEDA has transferred for that pay period and any surplus the County holds in trust, the County will notify the VHEDA of the shortage and the VHEDA will transfer additional funds within one week's notice of the shortfall. VHEDA shall pay the County \$12,500 per year at the beginning of the fiscal year for providing the human resource and financial operation services. VHEDA shall pay \$6,250 for retroactive services provided for fiscal year 2006 by September 10, 2006. The fiscal year 2007 payment shall be provided by September 10, 2006. All subsequent years payments for services shall be provided by July 30 of the fiscal year in which support is provided.
- c. **Scope of Services.** During the term of this agreement, the Board will provide to the VHEDA the following services:
- i. **Financial accounting services consisting of:**
- Creation and maintenance of a separate company general ledger;
  - payroll services;
  - preparation of agency fund financial statements;
  - creation and maintenance of leave balance system;
  - preparation and maintenance of tax records;
  - remittance of withholdings to appropriate taxing authorities, retirement administrators and insurance companies; and
  - preparation and reconciliation of billings, recording of deposits from VHEDA and reconciliation of outstanding receivable/payable between County and VHEDA.
- ii. **Human Resource services consisting of:**
- preparation and maintenance of salary information;
  - orientation of new employees;
  - administration of health insurance benefits;
  - provide and maintain fringe benefits programs;
  - maintain and process service records for Virginia Retirement System (VRS); and
  - provide exit services for all terminating employees to include COBRA administration.
- d. **Adoption of County Policies.** During the term of this agreement, the VHEDA agrees to adopt those human resources and finance policies and procedures in use by the County of Fauquier which are acceptable to it in its sole discretion. VHEDA shall adopt any acceptable amendments thereto in a timely fashion so as to continue the guidelines, policies and procedures in an acceptable manner with those of the County throughout the term of this agreement.

Notwithstanding the foregoing, VHEDA is and shall remain a completely autonomous entity, independent in all respects from the control or auspices of the County, and shall have the right to employ, terminate, establish work hours, pay scales and position classifications independently of County policies and procedures. Further, this agreement shall in no way restrict the VHEDA from developing policies and procedures which may be inconsistent with the County of Fauquier. Adoption of such policies and procedures may be cause to terminate this agreement.

- e. **Creation of Interaction Plan.** VHEDA and County Departments of Human Resources and Finance shall develop interaction protocols and guidelines acceptable to all entities. Such protocols shall include any deadlines and timeframes for the exchange of information and provision of services.
- f. **Obligations Subject to Appropriation.** The obligations of VHEDA and the Board shall be subject to the appropriation of funds by each entity sufficient to meet the obligations imposed hereunder. Should either entity fail to appropriate sums sufficient to meet its obligations under this agreement, the agreement shall terminate upon the last day for which sufficient funds have been appropriated and upon termination all parties shall be released from any and all liabilities hereunder.
- g. **Choice of Law.** This agreement shall be construed under the laws of Virginia.
- h. **Supercesion.** This agreement shall replace and supersede the Memorandum of Agreement adopted by the Fauquier County Board of Supervisors and the Vint Hill Farms Economic Authority of July 16, 1997.
- i. **Survival of Terms.** Should any provisions of this agreement be invalidated by a court of competent jurisdiction, all other provisions of this agreement shall remain valid and enforceable.

WITNESS the following signatures and seals:

BOARD OF SUPERVISORS OF FAUQUIER  
COUNTY, a Body Politic

By \_\_\_\_\_

VINT HILL ECONOMIC DEVELOPMENT  
AUTHORITY, a Political Subdivision of the  
Commonwealth of Virginia

By \_\_\_\_\_

DATE APPROVED \_\_\_\_\_

**PAYROLL PROCEDURES**  
**Vint Hill Economic Development Authority**

1. Fauquier County Finance will set up payroll accounts for the staff of the VHEDA under the general ledger of the County. These accounts will include salaries and fringe benefits.
2. Each month the VHEDA will submit payroll information to the Payroll Division in accordance with County policies and procedures.
3. The Human Resources Department and the Payroll Division will prepare the direct deposit and record the necessary information for taxes, health insurance, life insurance, retirement, leave, FICA, unemployment insurance, and any other deductions available to County employees, excluding workman's compensation.
4. Staff of the VHEDA will pick up the direct deposit pay stubs at the same time as County employees.
5. The VHEDA will advance the amount of the payroll including all expenses for fringe benefits and other deductions.
6. The Payroll Division of Fauquier County will prepare and submit all necessary reports for taxes, insurance, FICA, and any other deductions that apply to VHEDA staff.

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Vivian McGettigan, Director of Finance  
Fauquier County

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Date

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Richard H. Reiss, Director  
Vint Hill Economic Development Authority

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Date

**HUMAN RESOURCES PROCEDURES**  
**Vint Hill Economic Development Authority**

- I.       Wherever the VHEDA does not have a separate procedure, policy, or guideline the Fauquier County Human Resources procedures, policies, guidelines, and deadlines will be followed. The VHEDA retains the right to employ, terminate, establish work hours, and establish pay scales and position classifications independently of County policies and procedures and to adopt policies which may differ from the County.
  
2.       The VHEDA will submit Personnel Action Notification (PAN) forms to Human Resources in accordance with guidelines and deadlines established by Human Resources. PANs from the VHEDA will be approved by the Director of the VHEDA and do not have to be approved by County Administration. Human Resources will follow the same procedures for acting on PANs from the VHEDA as it follows for PANs from County Departments.
  
3.       The Human Resources Department will maintain employee files for each employee of the VHEDA. Employees of the VHEDA will contact the Human Resources Department on all matters relating to fringe benefits, tax information, leave information, and salary.
  
4.       The Human Resources Department will include employees of the VHEDA in all fringe benefits programs of the County excluding the sick leave bank.
  
5.       The VHEDA reserves the right to interpret the Human Resources Policies adopted by the VHEDA. Employee questions regarding interpretation should be directed to the Director of the VHEDA. Where necessary, the Director of the VHEDA will confer with the Human Resources Department of any interpretation that applies to the VHEDA staff that may differ from County practice.

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Janelle Downes, Director of Human Resources  
Fauquier County

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Date

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Richard H. Reiss, Director  
Vint Hill Economic Development Authority

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Date